



# Pennsylvania Health Care Cost Containment Council



## 2013 Annual Report

Employers • Labor Organizations • Consumers • Older Pennsylvanians • Hospitals  
Physicians • Nurses • Insurers • Non-Profits • State Government

*Working Together  
Improving Quality & Safety  
Restraining Costs*

# A Message from the Executive Director

## Why PHC4 Matters:

- Visitors to PHC4's website downloaded more than 800,000 copies of health care quality/cost reports in 2013.
- Between 2010 and 2013, PHC4 filled 129 data requests valued at \$380,000 from our fellow state agencies, saving time, effort and tax dollars.



*"For both purchasers and providers, the need for credible, independent health care information has never been greater. The Council's role in this new era of health care is essential to creating a health care system in the Commonwealth that provides appropriate, affordable and accessible care."*

### **Gene Barr**

President and Chief Executive Officer  
Pennsylvania Chamber of  
Business and Industry

## Remaining Relevant, Providing Value

I was speaking recently with a fairly high level executive in the health care industry about the seismic shifts occurring in today's marketplace, and he said to me, "Joe, it's the Wild West out there." An accurate observation I thought—less dangerous today perhaps, but no less uncertain. Within that framework, it seems that every health-related organization is trying to position itself to be relevant in this rapidly and dramatically changing environment.

So I have been thinking a great deal about how Pennsylvania Health Care Cost Containment Council (PHC4) has been relevant, and how it can remain so going forward. Consider the following:



### **Joe Martin**

Executive Director  
Pennsylvania Health Care  
Cost Containment Council

## PHC4 provides relevant data to Pennsylvania families facing health care decisions.

- An important example is the PHC4 interactive website of Medicare payments for 78 common outpatient services. This idea originated in the House Republican Task Force on Health Care several years ago as an effort to provide consumers in high deductible plans with information they could use to access care more efficiently. I am pleased to report that this website had more than 18,000 visitors last year. In addition, we are now working to "localize" much of our information to make it directly relevant to constituents, county by county.
- Overall, visitors to PHC4's website downloaded more than 800,000 copies of health care quality/cost reports in 2013.

## Outcomes have improved during the years of PHC4's public reporting.

- A 2008 study in the *American Journal of Medical Quality* reported that PHC4's public reporting was associated with lower odds of in-hospital death in Pennsylvania (21% to 41% lower than in other states).
- Further analyses estimated that PHC4's public reporting in six treatment categories prevented 1,500 deaths in one year.
- In addition, overall mortality rates in Pennsylvania hospitals dropped from above to well below national averages between 1991 and 2010—years mirroring PHC4's public reporting. PHC4 estimates a savings of about 72,000 lives and \$2.8 billion in hospital charges can be attributed to this trend.

- In-hospital mortality rates for heart surgery dropped 53% between 1994 and 2012—years for which PHC4 released hospital and physician results for this procedure. Using PHC4 as an example, a 2003 study in *Medical Care* confirmed that publicly reporting hospital outcomes was associated with lower mortality rates for this procedure. Further work in this area, recently completed by a group of Lehigh University researchers, found that PHC4’s online reporting of heart surgery data led hospitals to commit additional resources to saving more patient lives—and achieved a 5-10% reduction in patient mortality.
- In 2005, Pennsylvania, through PHC4, became the first state to publicly report on hospital-acquired infections. From 2006-2007, the number of statewide hospital-acquired infections dropped 7.8%—an estimated savings of \$370 million in hospital charges.
- From 2007 to 2012, Pennsylvania experienced significant decreases in in-hospital mortality rates in nine out of 16 major illness categories reported in PHC4’s *Hospital Performance Report*, including septicemia, heart attacks and strokes. Hospital readmission rates decreased significantly in seven out of 13 categories, including congestive heart failure, acute kidney failure and pneumonia.

**PHC4 plays an important economic role within state government and with Pennsylvania’s universities.**

- Between 2010 and 2013, PHC4 filled 129 data requests from other Pennsylvania state agencies, helping them to fulfill statutory, regulatory and grant obligations. PHC4 provides data to many of Pennsylvania’s top universities to help them pursue their mission-critical academic research missions. In fact, special requests for data have increased 10% since 2008, allowing PHC4 to produce revenue and cover 24% of its operating costs annually.
- PHC4 is also a critical component of Governor Corbett’s multi-agency initiative to implement a private-sector oriented statewide innovative health care plan. The Commonwealth has received word of the release of the Centers for Medicare and Medicaid Services’ new Funding Opportunity Announcement and will apply for funding that could amount to \$50-60 million project-wide over a three-year period.

There is much more to do and many challenges to face. Fortunately, we have a dedicated staff, a superb governing board and many allies across the Commonwealth, public and private sector alike, to take on those challenges as we continue to remain relevant and provide value in the marketplace.

**Future Challenges**

1. Price Transparency
2. Value-Driven Reporting
3. Focus on Outpatient Care
4. Localizing PHC4’s Information
5. Population Health
6. Geographic Analysis
7. Greater Emphasis on Outreach and Education



*“The data produced by PHC4 is a tremendous resource for our health and welfare funds and members. In the future, the availability of PHC4’s data at the state and local levels will become even more important as our health care system continues to change dramatically.”*

**Frank Sirianni**

President  
 Pennsylvania State Building and  
 Construction Trades Council



*“Our union health and welfare funds rely on PHC4 as a valuable resource in helping our members make choices that provide the best health care in the most cost-efficient manner. That in turn helps us improve quality and make health care affordable for all Pennsylvanians.”*

**Rick Bloomingdale**  
President  
Pennsylvania AFL-CIO

### Why PHC4 Matters:

Pennsylvania, through PHC4, was the first state in the nation to have publicly issued reports on physician performance quality measures for cardiac surgery and hip and knee joint replacements.

## What is PHC4?

PHC4 is an independent state agency charged with collecting, analyzing and reporting information that can be used to improve the quality and restrain the cost of health care in the state. The agency was established in 1986 as a result of collaboration among Pennsylvania businesses and labor unions and other key stakeholders to enact market-oriented health care reforms. Their efforts resulted in the General Assembly passing legislation (Act 89 of 1986) to create PHC4. Today, PHC4 is a recognized national leader in public health care reporting.

The primary goal is to provide purchasers of health care benefits— businesses, labor unions and other stakeholders—with information they can use to improve quality and restrain costs. Each year, more than 800,000 public reports are downloaded from the PHC4 website.

PHC4 is governed by a 25-member board of directors representing business, labor, consumers, health care providers, insurers and state government.

## What PHC4 Does

PHC4 collects comprehensive inpatient and outpatient records—nearly 5 million patient records per year—from Pennsylvania’s 246 hospitals and 271 ambulatory surgery centers. PHC4 collects and verifies data on patient conditions, treatments, outcomes and charges, as well as financial data such as hospital operating and total margins, net patient revenue and uncompensated care.

Using the data, PHC4 prepares and produces reports on important public health care topics in Pennsylvania. The website also includes interactive databases available to businesses, labor, the health care and insurance industries, academic researchers, government policymakers and consumers.

## The PHC4 Council

### Executive Committee

**Frank Sirianni**, Chair—Labor  
**Joseph Huxta**, Vice-Chair—Business  
**David E. Black**, Treasurer—Business  
**Paul Casale, M.D.**, Chair, Data Systems Committee—Physicians  
**Tom Duzak**, Chair, Mandated Benefits Committee—Labor  
**Gene Barr**, Immediate Past Chair—Business

### Council Members

**Neal Bisno**—Labor  
**David Campbell, M.D.**—Physicians  
**Michael F. Consedine**—Insurance Commissioner  
**Randy DiPalo**—Labor  
**Samuel Densico**—Business  
**Mark Dever**—Business

**Michael Doering**—Quality Improvement  
**Susan M. Hallick**—Nurses  
**Robert Johnston**—Business  
**Edward Karlovich**—Hospitals  
**Beverly Mackereth**—Secretary of Public Welfare  
**Gregory S. Martino**—Health Plans  
**Ernest Sessa**—Consumers  
**Todd Shamash**—Health Plans  
**Frank Snyder**—Labor  
**Jack Steinberg**—Labor  
**Michael Wolf**—Secretary of Health  
**Stephen A. Wolfe**—Hospitals

### Outgoing Council Members

**Stuart Fine**—Hospitals  
**Donald Liss, M.D.**—Health Plans  
**Mary Ellen McMillen**—Health Plans

## Meeting the Data Needs of Many Organizations

PHC4 completed data requests for the following users since January 2013.

Agency for Healthcare Research & Quality • Allied Services • Aria Health • Armstrong County Memorial Hospital • AtlantiCare Regional Medical Center • Berkeley Research Group • Bon Secours Health System Inc. • Boston University School of Medicine • Bucknell University • Capital Blue Cross • Chambersburg Hospital • Community Health Systems • Coordinated Health • Corry Memorial Hospital • CRA International • DataBay Resources • Falk Foundation • Global Lower Extremity Amputation Study Group • Good Shepherd Rehabilitation Hospital • Green Tree Community Health Foundation • HCR ManorCare • Health Management Associates • HealthSouth • Highmark • Home Nursing Agency • Hospital & Healthsystem Association of Pennsylvania • IMS Health • Ingenix/OptumInsight • Intellimed • Jewish Healthcare Foundation • Johns Hopkins University • Lancaster General Health • LeadingAge PA • Lehigh University • Lehigh Valley Health Network • M Rosadini Consultants • Maryland Department of Health and Mental Hygiene • Memorial Medical Center • National Bureau of Economic Research • North Pointe Surgery Center • O'Conco Healthcare Consultants • Pennsylvania Department of Health • Pennsylvania Department of Public Welfare • Pennsylvania Department of the Auditor General • Pennsylvania Office of Attorney General • Pennsylvania Patient Safety Authority • Penn State College of Medicine • Penn State Hershey Medical Center • Philadelphia Department of Public Health • Philadelphia Inquirer • Pittsburgh Regional Health Initiative • Princeton Healthcare System • Renzi Podiatry • Service Employees International Union • SG-2 L.L.C. • Stevens & Lee • Southwest Regional Medical Center • St Joseph Regional Health Network • Summit Health • Susquehanna Health System • The Erie Community Foundation • The Nemours Foundation • The Trustees of the University of Pennsylvania • The Washington Post • Treo Solutions • Truven Health Analytics • University of Chicago • University of Pennsylvania • University of Pennsylvania School of Medicine • University of Pennsylvania School of Nursing • University of Pittsburgh Medical Center • University of Pittsburgh School of Medicine • VNA Health System • Wayne Memorial Hospital • WellSpan Health



*“Health care, health insurance and related costs are confusing to most of us. PHC4 seeks to demystify the numbers behind health care and create a level playing field for comparison and general information in a manner that is relatively easy to sort through providing a great service for Pennsylvanians. However, beyond the consumer, there are countless insurers, health care providers and other professionals that use the data provided by PHC4 that in turn helps to provide better service to their clients, who are those same Pennsylvanians. PHC4 does an exceptional job with limited resources providing data that will be used to provide a better health care experience for Pennsylvania residents.”*

### **David E. Black**

President and Chief Executive Officer  
Harrisburg Regional Chamber  
and Capital Region Economic  
Development Corporation

### **Why PHC4 Matters:**

Between 2007-2012,  
Pennsylvania experienced  
significant decreases in  
mortality rates in 9 major  
illness categories, including  
septicemia, heart attacks and  
strokes.



*“With consumers taking greater control over their health care choices, and employers making more complex decisions around coverage and benefits, the Council plays an elevated role in providing public information on the cost and quality of health care in the Commonwealth. During this transformation in health care, The Hospital & Healthsystem Association of Pennsylvania values the Council’s work to share critical data and identify trends, improvements, and challenges that help inform strategic efforts to reduce health care costs and improve care outcomes for all Pennsylvanians.”*

**Andy Carter**

President and Chief Executive Officer  
The Hospital & Healthsystem  
Association of Pennsylvania

**Why PHC4 Matters:**  
Between 2007-2012, hospital readmission rates decreased significantly in seven major illness categories, including congestive heart and acute kidney failure.

**Pennsylvania’s Mortality Rates Declining, Hospital Performance Report Shows**

The *Hospital Performance Report* (HPR) for 2012, released in December 2013, showed that between 2007 and 2012, the statewide in-hospital mortality rate in Pennsylvania decreased for nine of 16 common medical conditions and surgical procedures analyzed in the report. One of PHC4’s most popular reports, the *Hospital Performance Report* includes information on the volume of cases, mortality rates, readmission rates and hospital charges to evaluate outcomes of care in Pennsylvania’s general acute care hospitals.

This report covers adult (18 years and older) inpatient hospital discharges, regardless of payer, during Calendar Year 2012.

This was PHC4’s second *Hospital Performance Report* since transitioning to an in-house system to collect laboratory data for risk-adjusting patient outcomes. Risk adjustment accounts for the severity of patients’ illness to fairly compare hospitals when examining mortality rates and readmission rates. The in-house system, which gives hospitals greater flexibility in meeting their reporting requirements, was prompted by Act 3 of 2009, the law that reauthorized PHC4 as a state agency. The 2012 HPR was an expanded version: for the first time, the agency analyzed 16 common medical conditions and surgical procedures, up from 12 in 2011, following development of new risk-adjustment processes.

During the same period, there was a statistically significant decrease in seven of the 13 conditions for which readmissions were analyzed in the PHC4 report. The largest decrease was in Congestive Heart Failure, where the readmission rate decreased from 26.9% in 2007 to 24.5% in 2012.

**Economist Says PHC4 Plays Valuable Role**



*“PHC4 is a valuable resource for economists because it provides us with the ability to link patients using pseudo-identifications, allowing for the identification of patient co-morbidities, like hypertension, and the control for individual patient characteristics and the severity of patients’ illnesses. PHC4’s data also offers students with an outstanding tool for hands-on learning.”*

**Shin-Yi Chou, Ph.D.**

Frank L. Magee Professor of Economics  
Lehigh University  
& Research Associate  
National Bureau of Economics Research

## Examining Cardiac Surgery Outcomes

Statewide mortality rates for patients undergoing Coronary Artery Bypass Graft (CABG) surgery and the rate of readmission within 30 days continued to decline in 2012, according to the *Cardiac Surgery in Pennsylvania* report released in November 2013. The report presented outcomes for the 20,164 patients who underwent CABG surgery and/or heart valve surgery in the 59 Pennsylvania general acute care hospitals that performed the procedures between July 1, 2011, and December 31, 2012.

PHC4's report displays risk-adjusted outcomes that can be used, in part, to evaluate both hospital and surgeon performance. The report presents risk-adjusted in-hospital mortality and 30-day readmission outcomes for hospitals and surgeons as well as average hospital charges and 2011 average Medicare payments to hospitals.

## PHC4 Reports Medicare Payment Information for Common Outpatient Procedures

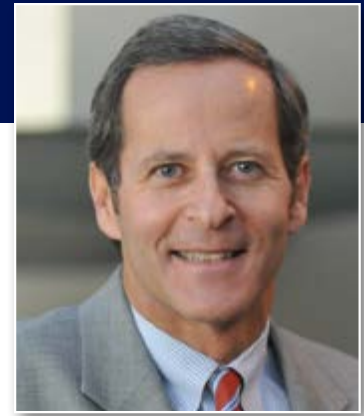
PHC4's Medicare Payment Database for Common Outpatient Procedures now features updated 2011 data. The easy-to-use interactive database provides the average amount the Centers for Medicare and Medicaid Services (CMS) paid for 78 common outpatient procedures—such as cataract surgeries, colonoscopies and MRIs—at hospital outpatient departments and ambulatory surgery centers. The database helps fill the information void for patients seeking to get an idea about how much their outpatient procedure will cost.

The database includes the 2011 average Medicare payment (the payment to the facility combined with the patient's co-payment amount) for each county in Pennsylvania, as well as the number of procedures performed at a facility in a year. The average Medicare payment can serve as benchmark rates within the health care payment system.

Medicare beneficiaries can use the CMS payment amount to estimate their out-of-pocket costs in advance by applying the coinsurance percentage, based on their plan's requirements.

Consumers with high-deductible health plans can check the database to see what Medicare paid for a procedure to get a realistic idea of what that procedure will cost. Medicare generally reimburses at a lower rate than private sector health plans.

The database can be especially helpful to uninsured or self-pay consumers who are usually billed the full "charge" amount. Health care providers are often willing to negotiate fees with such consumers, who can use the average Medicare payment amounts as a starting point in negotiations.



*"PHC4 continues to break new ground in public accountability. They remain a key leader for implementing health reform."*

### **David B. Nash M.D.**

Dean and the Dr. Raymond C. and Doris N. Grandon Professor of Health Policy and Medicine  
Jefferson School of Population Health  
Thomas Jefferson University



*"PHC4 is a progressive leader in providing transparency in health care providing critical data that provides benchmarks and stimulates best practice to guide the transformation of health care to value and quality."*

### **Stephen Wolfe**

President and Chief Executive Officer  
Indiana Regional Medical Center



*“For more than a decade, PHC4 data have informed PRHI’s mission and agenda—uncovering trends important to health care policy, identifying opportunities to improve care, and informing our demonstration projects. We look forward to continuing to work with PHC4 to ensure that its treasure trove of data is increasingly used to create meaningful, actionable information by which consumers, providers and purchasers may make informed health care decisions.”*

**Karen Wolk Feinstein, Ph.D.**

President and Chief Executive Officer  
Jewish Health Foundation and  
Pittsburgh Regional Health Initiative

### Why PHC4 Matters:

Mortality rates in Pennsylvania hospitals have dropped from above to well below national averages over a 19-year (1991-2010) period—mirroring PHC4’s years of reporting. PHC4 estimates a savings of approximately 72,000 lives and \$2.8 billion in hospital charges can be attributed to this trend.

## Reports Measure Fiscal Health of PA Hospitals & ASCs

Since 1989, PHC4 has annually conducted financial analysis of Pennsylvania’s individual hospitals and Ambulatory Surgery Centers (ASCs). Such analysis is important because Pennsylvania’s health care facilities must be financially sound in order to maintain a high-quality, cost-effective health care delivery system. The *Financial Analysis Series 2012* was published in three volumes.

*Volume One*, released in May 2013 showed statewide total margin realized by the 171 General Acute Care (GAC) hospitals in Pennsylvania decreased by 1.22 percentage points, from 7.04% to 5.82%. Uncompensated care—care hospitals provide for which they are not paid, either due to uncollectible debts or charity cases—has risen from \$469 million in FY 02 to \$989 million in FY 12.

Released in November, *Volume Two* focused on ASCs and showed the number of ASCs in Pennsylvania increased by 3.7% during FY 12 and financial margins at ASCs rose as well. The report showed that during FY 12 the number of ASCs grew by 10 to 281, the average operating margin among ASCs increased from 24.94% to 25.83% and the total margin rose from 25.12% to 27.01%.

The *Volume Two* report for FY 12 also noted ASCs reported 1.1 million outpatient visits and \$1.1 billion in net outpatient revenue during FY 12, the number of procedures at ASCs increased 0.7% in FY 12 and commercial health insurance plans covered 51.4% of outpatient procedures at ASCs during FY 12.

*Volume Three* for FY 12 showed all non-general acute care health facilities in Pennsylvania providing rehabilitation, psychiatric, long-term acute care and specialty services had positive operating margins during 2012.

## All Health Care is Local

In 2012, PHC4 introduced County Admission Profiles for FY 12, a research brief designed to localize PHC4’s information. The research brief includes:

- The number of county residents admitted to hospitals located within a county
- The percent of hospitalizations within a county paid for by Medicare, Medicaid and commercial insurers
- The top five hospitals treating county residents
- Hospitalization rates and county rankings for chronic conditions
- Admission data by age group
- Medicare payments made on behalf of county enrollees



## PHC4 Website Meets High Usage Demands

The PHC4 website plays a complex role in helping the agency meet its goals. For one, the website is used heavily by consumers seeking the most reliable health care data available, including facility- and doctor-specific health care report cards. Visitors to PHC4's website downloaded more than 800,000 health care quality/cost reports in 2013, **including:**

- Financial Report on Pennsylvania hospitals: 176,000 downloads
- Hospital Performance Report: 85,000 downloads
- Cardiac Surgery 2012: 50,000 downloads
- Readmissions: 48,000 downloads
- County Inpatient Profiles (all 67 counties): 16,000 downloads
- Orthopedic Surgery 2010: 14,000 downloads
- Agency's Annual Report: 142,000 downloads

Another major function of the website is to provide a secure way for hospitals and other facilities to submit data to the agency in a quick, efficient way. In its quarter-century history, PHC4 has transformed the manner in which hospitals have submitted complex annual data, moving from paper to digital submissions that have saved both reporting entities and agency personnel significant time and effort.

As Pennsylvania continues to lead the effort to find ways to reduce the cost of health care and improve quality through outcome and charge transparency, PHC4 works to enhance its role and level of performance without raising costs to taxpayers.

No other state agency has PHC4's experience in managing, securely storing and analyzing financial data.

That measurable technological expertise is why PHC4 is such an integral part of Governor Tom Corbett's Statewide Innovation Model (SIM), which is seeking in upwards of \$50 to \$60 million in federal funding to radically change the manner in which health care is delivered in the Commonwealth. If funded at the federal level, SIM will fundamentally change the delivery of health care across the state and provide substantial savings to businesses, providers, insurers, government and consumers.



*"It is widely acknowledged that our current health care system is plagued by fragmentation, inefficiencies and wide variations in both quality and cost. Through the work of PHC4, Pennsylvania is a recognized national leader in promoting transparency of health care information. Access to information regarding patient safety and outcomes is critical if employers and consumers are to effectively manage the cost of health care."*

### **Thomas J. Croyle**

President  
Lehigh Valley Business  
Coalition on Healthcare

### **Why PHC4 Matters:**

In 2005, Pennsylvania, through PHC4, became the first state to publicly report on hospital-acquired infections, and has one of the most comprehensive infection identification and prevention programs in the nation.



*"We are seeing profound and fundamental changes in health care. Physicians and hospitals are striving to find better, more cost effective ways to deliver care. Businesses, labor organizations, and governments are challenged to provide their employees or members with health benefits that are critical to families' security. Consumers are more actively engaged in their health care decisions. In this environment, it is more important than ever to have the kind of objective, unbiased, and reliable information PHC4 produces for our Commonwealth."*

**Don Liss, M.D.**

Vice President  
Clinical Programs and Policy  
Independence Blue Cross

### **Why PHC4 Matters:**

A 2007 study in the *American Journal of Medical Quality* estimated PHC4's public reporting in six treatment categories prevented 1,500 deaths in one year.

## **Specialized Data Analysis Assists Varied Client Base**

One of the most valuable services PHC4 provides is the production of customized reports and datasets for health care providers, researchers, consultants and other users who want to tailor PHC4 data for various purposes. PHC4 provides data for a fee to commercial, non-commercial and research clients. For Pennsylvania state government agencies, PHC4 usually waives the fee.

Since January 1, 2013, PHC4 has fulfilled 133 requests for datasets and reports, surpassing any previous year in the agency's history. Revenue from the 115 requests from entities other than state agencies exceeded \$1 million. All revenue generated from sales of data covers operating expenses, providing about 20 percent of PHC4's annual operating budget.

Most PHC4 data requests (72) came from non-commercial clients, including hospitals, health systems, health care organizations, purchasers and insurers. Non-commercial clients use PHC4 data internally for quality improvement, strategic planning, needs assessment, market share analyses, surgical outcomes analyses and utilization reviews.

Academic health care researchers, both inside and outside the Commonwealth use PHC4 data extensively. Beginning January 1, 2013, PHC4 completed 20 research requests. PHC4 is also a data partner with the Healthcare Cost & Utilization Project, sponsored by the Agency for Healthcare Research and Quality. The family of databases, developed through a federal-state-industry partnership, is an essential data source for health researchers across the nation, providing comprehensive, accurate and timely data for use in evaluating cost, quality and access to health care.

Since January 1, 2013, PHC4 has fulfilled 23 requests from commercial clients—corporations or other organizations that repackage and redistribute PHC4 data or the resultant analysis for a profit.

## PHC4 Data Mission Critical to Pennsylvania State Agencies

As an independent state agency, PHC4 provides data at no charge to its sister state government agencies and members of Pennsylvania General Assembly. PHC4's waiver of fees for state government agencies makes our data available to policymakers and administrators at no additional cost to Pennsylvania's taxpayers. Between 2010 and 2013, PHC4 filled 129 data requests valued at \$380,000 from our fellow state agencies, saving time, effort and tax dollars. A number of state agencies rely on PHC4 annually for reliable, accurate data, including the **Attorney General, Auditor General, Department of Health, Department of Public Welfare, the Patient Safety Authority, and the Pennsylvania Commission on Crime and Delinquency.**

- The Pennsylvania Department of Health uses PHC4 data for various reports and projects, including the Asthma Control Program, the Diabetes Prevention and Control Program, the Chronic Disease Burden report, the Infectious Disease Hospitalization Report, the Environmental Public Health Tracking Program, the Violence and Injury Prevention Program and the Healthy People 2020 Initiative developed by the Centers for Disease Control and Prevention.
- The Pennsylvania Department of Public Welfare calculates payments to hospitals for obstetric and neonatal services and to compute payments to hospitals for the Hospital Uncompensated Care and Extraordinary Expense programs established under the Tobacco Settlement Act of 2001 using data from PHC4. Custom financial data is used to determine an annual assessment amount for hospitals that do not have an accepted Medicare cost report as part of the Hospital Quality Care Assessment.
- The Pennsylvania Office of Attorney General (AG) ensures compliance with antitrust laws in its review of hospital mergers using inpatient discharge, ambulatory/outpatient procedure, inpatient and outpatient revenue code detail datasets and financial data from PHC4. The AG's office conducts the investigations jointly with the Federal Trade Commission (FTC).
- The Pennsylvania Department of the Auditor General annually audits hospitals that received funding from the Uncompensated Care and Extraordinary Expense Programs established under the Tobacco Settlement Act of 2001 using PHC4 datasets.
- The Pennsylvania Patient Safety Authority, another independent state agency tasked with improving the quality of health care in the Commonwealth, calculates rates of patient falls and wrong site/wrong side surgeries performed in Pennsylvania utilizing PHC4 data.



*"PHC4 provides an extensive collection of reliable information to the Pennsylvania Department of Health that enriches all of our programs. Their diverse services enable our department to provide the best quality of outreach and education to state residents."*

### **Michael Wolf**

Secretary  
Pennsylvania Department of Health



*"The Pennsylvania Medical Society has been supportive of PHC4 since its earliest days. PHC4 advances quality and value in health care and its research findings are used to maintain high standards of service. A pioneer in medical care through its world-renowned physicians and hospitals, Pennsylvania continues to be a health care leader thanks, in part, to PHC4."*

### **Michael R. Fraser, Ph.D.**

Chief Executive Officer  
Pennsylvania Medical Society



**Pennsylvania Health Care Cost Containment Council**

Joe Martin, Executive Director

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[www.phc4.org](http://www.phc4.org)



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